SEEC MEDIA GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 205)

ANNOUNCEMENT OF AUDITED FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2007

The Board of Directors (the "Board") of SEEC Media Group Limited (the "Company") announces the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2007 together with the comparative figures for the previous year as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2007

	Notes	**2007** *HK$'000*	2006 *HK$'000*
Revenue	*2*	**186,491**	99,098
Cost of sales		**(70,511)**	(25,813)
Gross profit		**115,980**	73,285
Other income		**13,449**	7,503
Selling and distribution costs		**(71,407)**	(43,103)
Administrative expenses		**(22,784)**	(27,417)
Change in fair value of derivative financial instruments		**(6,905)**	(4,074)
Impairment loss recognised in respect of available-for-sale investments		**(3,426)**	(21,149)
Finance costs	*3*	**(9,245)**	(5,100)
Profit (loss) before taxation	*4*	**15,662**	(20,055)
Taxation	*5*	**(9,521)**	(6,266)
Profit (loss) for the year		**6,141**	(26,321)
Attributable to:			
Equity holders of the parent		**6,141**	(29,001)
Minority interests		**–**	2,680
		6,141	(26,321)
Earnings (loss) per share (HK cents)	6		
Basic		**0.40**	(1.87)
Diluted		**0.39**	(1.87)

CONSOLIDATED BALANCE SHEET

As at 31 December 2007

	Notes	2007 HK$'000	2006 HK$'000
Non-current assets			
Property, plant and equipment		**41,055**	3,058
Sole agency rights		**132,715**	22,766
Goodwill		**125,216**	125,216
Interests in jointly controlled entities		**–**	–
		298,986	151,040
Current assets			
Inventories		**765**	–
Derivative financial instruments		**1,641**	1,069
Available-for-sale investments		**718**	13,005
Amounts due from jointly controlled entities		**6,428**	5,856
Trade receivables	*8*	**75,395**	30,860
Other receivables and prepayments		**11,296**	7,798
Amounts due from related companies		**2,556**	2,520
Pledged bank deposits		**40,861**	39,000
Bank balances and cash		**103,731**	131,706
		243,391	231,814
Current liabilities			
Derivative financial instruments		**23,693**	16,216
Trade payables	*9*	**15,977**	5,589
Other payables and accruals		**47,233**	25,699
Amounts due to related companies		**1,407**	1,116
Bank borrowings		**39,406**	7,968
Tax payable		**17,160**	12,836
		144,876	69,424
Net current assets		**98,515**	162,390
Total assets less current liabilities		**397,501**	313,430
Non-current liability			
Convertible bond		**77,906**	70,952
Net assets		**319,595**	242,478
Capital and reserves			
Share capital		**172,472**	155,372
Reserves		**147,123**	87,106
Total equity and equity attributable to equity holders of the parent		**319,595**	242,478

Notes:

1. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied, for the first time, the following new standard, amendment and interpretations ("new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are effective for the Group's financial year beginning 1 January 2007.

HKAS 1 (Amendment)	Capital disclosures
HKFRS 7	Financial instruments: Disclosures
HK(IFRIC) – INT 7	Applying the restatement approach under HKAS 29 Financial Reporting in Hyperinflationary Economies
HK(IFRIC) – INT 8	Scope of HKFRS 2
HK(IFRIC) – INT 9	Reassessment of embedded derivatives
HK(IFRIC) – INT 10	Interim financial reporting and impairment

The adoption of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting years have been prepared. Accordingly, no prior year adjustment has been required.

The Group has applied the disclosure requirements under HKAS 1 (Amendment) and HKFRS 7 respectively. Certain information presented in prior year under the requirements of HKAS 32 has been removed and the relevant comparative information based on the requirements of HKAS 1 (Amendment) and HKFRS 7 has been presented for the first time in the current year.

The Group has not early applied the following new and revised standards or interpretations that have been issued but are not yet effective.

HKAS 1 (Revised)	Presentation of financial statements[1]
HKAS 23 (Revised)	Borrowing Costs[1]
HKFRS 8	Operating segments[1]
HK(IFRIC) – INT 11	HKFRS 2: Group and treasury share transactions[2]
HK(IFRIC) – INT 12	Service concession arrangements[3]
HK(IFRIC) – INT 13	Customer loyalty programmes[4]
HK(IFRIC) – INT 14	HKAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction[3]

[1] Effective for annual periods beginning on or after 1 January 2009.
[2] Effective for annual periods beginning on or after 1 March 2007.
[3] Effective for annual periods beginning on or after 1 January 2008.
[4] Effective for annual periods beginning on or after 1 July 2008.

The directors of the Company anticipate that the application of these new and revised standards or interpretations will have no material impact on the results and the financial position of the Group.

2. REVENUE AND SEGMENTAL INFORMATION

Revenue represents the gross invoiced value of services rendered or sales of books and magazines, net of discounts and sales related taxes, is as follows:

	2007	2006
	HK$'000	*HK$'000*
Advertising income	**175,179**	98,495
Sales of books and magazines	**11,312**	603
	186,491	99,098

The Group's revenue is entirely derived from activities carried out in the People's Republic of China (the "PRC"). In addition, neither assets, revenue nor profit from sales of books and magazines contribute 10% or more to the Group's total assets, revenue and profit respectively, accordingly, no analysis by business and geographical segments is presented.

3. FINANCE COSTS

	2007	2006
	HK$'000	*HK$'000*
Interest on bank loan wholly repayable within five years	**731**	105
Effective interest charge on convertible bond	**8,514**	4,995
	9,245	5,100

4. PROFIT (LOSS) BEFORE TAXATION

	2007	2006
	HK$'000	*HK$'000*
Profit (loss) before taxation has been arrived at after charging (crediting):		
Auditor's remuneration	**800**	620
Bad debts written off	**–**	8,799
Staff costs (including directors' emoluments):		
Wages, salaries and other allowances	**19,793**	11,277
Contributions to retirement benefits schemes	**3,906**	1,262
Share option benefits	**1,793**	–
	25,492	12,539
Depreciation of property, plant and equipment	**1,284**	687
Amortisation of sole agency rights*	**3,990**	1,746
	5,274	2,433
Minimum lease payments under operating lease in respect of rented premises	**6,768**	2,602
Loss on disposal of property, plant and equipment	**3**	5
Reversal of allowance for doubtful debts	**(525)**	–
Investment income earned on:		
Loans and receivables – bank interest income	**(4,166)**	(3,069)
Available-for-sale financial assets – gain on disposal	**(6,367)**	–
Exchange (gain) loss, net	**(2,426)**	1,954

* The amortisation of sole agency rights is included in "Cost of sales" on the face of the consolidated income statement.

5. TAXATION

The tax charge for the year represents the PRC Enterprise Income Tax.

No provision for Hong Kong Profits Tax has been made for both years because the relevant group entity incurred a tax loss in Hong Kong.

The PRC subsidiaries are subject to the PRC enterprise income tax rate of 15% (2006: 15%), the preferential tax rate for enterprises established in Shenzhen and Hainan's Special Economic Zones. Taxes arising in other jurisdictions of the PRC are calculated at the rates of 33%.

On 16 March 2007, the PRC promulgated the Law of the PRC on Enterprise Income Tax (the "New Law") by Order No. 63 of the President of the PRC. On 6 December 2007, the State Council of the PRC issued Implementation Regulations of the New Law. The New Law and Implementation Regulations will change the tax rate from 33% to 25% from 1 January 2008. For certain subsidiaries of the Group in Shenzhen and Hainan's Special Economic Zones, the tax rate will change from 18% to 25% progressively from 2008 to 2012.

The taxation for the year can be reconciled to the profit (loss) before taxation per the consolidated income statement as follows:

	2007	2006
	HK$'000	*HK$'000*
Profit (loss) before taxation	**15,662**	(20,055)
Tax at preferential PRC income tax rate of 15%	**2,349**	(3,008)
Effect of different income tax rates of subsidiaries in other region	**2,113**	457
Tax effect of tax losses not recognised	**4,493**	3,813
Tax effect of expenses not deductible for tax purposes	**2,729**	5,374
Tax effect of income not taxable for tax purposes	**(1,488)**	(350)
Others	**(675)**	(20)
Taxation for the year	**9,521**	6,266

At the balance sheet date, the Group had estimated unused tax losses of HK$87,683,000 (2006: HK$57,730,000) available for offset against future profits. No deferred tax asset has been recognised in respect of the estimated unused tax losses due to the unpredictability of future profit streams. The estimated tax losses may be carried forward indefinitely.

6. EARNINGS (LOSS) PER SHARE

The calculation of the basic and diluted earnings (loss) per share is based on the following data:

	2007	2006
	HK$'000	*HK$'000*
Earnings (loss)		
Earnings (loss) for the purposes of basic and diluted earnings (loss) per share (profit (loss) for the year attributable to equity holders of the parent)	**6,141**	(29,001)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings (loss) per share	**1,554,039,819**	1,552,386,395
Effect of dilutive potential ordinary share options assume exercise of share options	**11,835,442**	–
	1,565,875,261	1,552,386,395

For the year ended 31 December 2007, the computation of diluted earnings per share does not assume the conversion of the convertible bond or exercise of warrants since their conversion or exercise would result in an increase in earnings per share.

For the year ended 31 December 2006, the computation of diluted loss per share does not assume the exercise of share options, conversion of the convertible bond or exercise of warrants since their exercise or conversion would result in a decrease in loss per share.

7. DIVIDEND

	2007	2006
	HK$'000	*HK$'000*
Proposed final – nil per ordinary share	**–**	–
Dividends recognised as distribution during the year	**–**	6,207

8. TRADE RECEIVABLES

The average credit period granted by the Group to the trade receivables is 90 days from the date of recognition of the sale.

The ageing analysis of the Group's trade receivables is as follows:

	2007		2006	
	HK$'000	*%*	*HK$'000*	*%*
Within three months	**52,550**	**70**	20,314	66
Four to six months	**17,401**	**23**	6,939	22
Seven months to one year	**5,097**	**7**	3,607	12
Over one year	**347**	**–**	–	–
	75,395	**100**	30,860	100

9. TRADE PAYABLES

The ageing analysis of the Group's trade payables are as follows:

	2007		2006	
	HK$'000	*%*	*HK$'000*	*%*
Within three months	**11,525**	**72**	5,589	100
Four months to six months	**3,966**	**25**	–	–
Six months to one year	**486**	**3**	–	–
	15,977	**100**	5,589	100

The average credit period granted by trade payables is 90 days. The Group has financial risk management policies in place to ensure that all payables within the credit time frame.

BUSINESS REVIEW

China's advertising industry and print media faced new challenges amidst stable growth in 2007. As the 2008 Beijing Olympic Games approaches, there was a trend for corporations to defer their advertising expenditure to 2008. In 2007 there were continual slowdown of advertising launches by core industries, traditional media sector was under pressure. According to Nielsen Media Research, the year-to-year growth in advertisement expenditure in China was 15%. The growth rate of printed media in China remained stable in 2007 but slowed as compared to the previous year. Nonetheless, magazine advertising expenditure increased 19% as compared to 2006.

Faced with changing market conditions, the Group adapted its strategy to focus on further penetrating the consumer magazine market. In the second half of 2007, the Group successfully acquired the advertising rights of 'China Auto Pictorial', a leading magazine in automobile sector. The acquisition was successfully completed in August 2007 and brought positive contribution. The Group also acquired the China advertising rights for the 'TimeOut' magazine at the end of 2007. Apart from these, the Group also entered into a cooperation agreement with Mondadori Publication S.P.A., the largest publication group in Italy, to establish a joint venture advertising company to build upon and further exploit the consumer magazine advertising segment in China.

As of 31 December 2007, the Group held 11 advertising rights of magazines in China. In addition to launching new titles, the Group continued to develop its well-established brands and focus on business consolidation which reflected satisfactory results of its magazine portfolio. The Group's revenue showed robust growth and amounted to approximately HK$186,491,000, an increase of 88%, as compared to 2006. Despite significant investment for establishing the new titles in our Group's magazine portfolio, the Group successfully turned around its loss making position and recorded a modest profit of HK$6,141,000 for the year.

During the year, the Group's flagship magazine *'Caijing'* continued its strong growth momentum with further emphasis on improving brand-recognition. Building upon the long-term foundation of high quality editorial content and brand preservation, the management had strengthened and enhanced various operational strategies. *'Caijing'* magazine is currently acknowledged by the media industry as the most outstanding financial magazine in China, with huge potential to further leverage on its brand value. With continuous support from our advertising customers, together with raises of our advertisement prices, revenue generated by *'Caijing'* magazine increased by 44% as compared to last year.

However, another flagship magazine of our group, *'Real Estate'*, was still adversely affected by the austerity measures to cool down real estate market implemented by the Chinese Central Government in 2006. To minimize impacts of the austerity measures, the Group implemented a series of strategies to enhance its operation and cost control in 2007. The positive market sentiment brought on by the 2008 Olympic Games to the property market in Beijing gave a welcome boost to the revenue contribution from "Real Estate" magazine. The advertising revenue generated from the magazine recorded a significant growth of 35% as compared to 2006.

To consolidate our brands, the Group put efforts to further develop event activities and related conferences. These not only enhanced our brand image but also increased revenue. Revenue generated from conferences and event activities increased three times and amounted to approximately HK$3.1 million for 2007.

'Sports Illustrated' was first launched by the Group in September 2006 and was still in its incubation period. However, it gained an excellent reputation among its peers within the sport magazine sector. The revenue generated by *'Sports Illustrated'* in 2007 amounted to approximately HK$8.9 million. Being a new magazine in the market, the growth potential of *"Sports Illustrated"* remains enormous. During the year, *'Sport Illustrated'* and *'Caijing'* jointly launched special issues named *'Olympic Plus'* which received positive feedback from advertising customers. The promising response confirmed the Group's successful strategy and efforts in brand-building for its magazine portfolio.

'PC Magazine', a title launched by the joint venture between the Group and Ziff Davis Media Inc. recorded promising growth in its third year of operation. Another title, *'CIO Insight'*, which targets IT professionals, also showed encouraging growth.

Overall, in 2007, the Group achieved a significant step in the development of its existing portfolio as well as adding new advertising rights of magazines to its deployment. The brands of the Group's flagship magazines were well received and recognized in the market. The business operations of the Group have become more efficient and diversified. The development of new titles, for instance in the consumer market, performed within the management expectations and also built a solid foundation for the Group's further expansion in the market.

OUTLOOK AND PROSPECT

The Group will further diversify its portfolio of magazine advertising rights and explore market potential by acquisitions of new magazines advertising rights when opportunities arise. Furthermore, it will continue to strengthen its existing titles through persistent brand-building exercises and organic growth and to fully prepared itself to meet any challenges ahead in the changing and competitive print media industry.

In view of the positive economic sentiments brought on by the 2008 Olympic Games as well as the robust consumer market development, the directors hold an optimistic view towards the advertising industry in China. Since several of the Group's magazine titles are closely related to the consumer and real estate markets, the Group foresees great potential in these areas in the coming years.

In addition, the Group has acquired the advertising rights of the Chinese version of *'TimeOut'* magazine, a city guide which is currently published in Beijing and Shanghai. The 2010 World Expo in Shanghai and rapid urbanization in China are expected to bring more exciting opportunities and ample growth potential for this magazine title.

Furthermore, to cope with the challenges posed from new media to traditional media, the Group will continue to pursuit a diversified development strategy including potential online media business. The Group will continue to cooperate with renowned international publishing and advertising corporations in order to gain valuable business know-how, broaden geographical coverage our magazines, diversify business risk and, above all, enhance shareholders' returns.

MANAGEMENT DISCUSSION AND ANALYSIS

During the year 2007, turnover of the Group was approximately HK$186.5 million as compared to approximately HK$99.1 million in 2006, representing an increase of 88.2%. In the first half of 2007, the advertising revenue in real estate sector was still seriously affected by the austerity measures implemented by the central government in China in 2006. However, the situation was improved in the second half of the year for the advertising revenue contribution from our 'Real Estate' magazine. The advertising rights of the "China Auto Pictorial" magazine was acquired in August 2007 and this leading automobile magazine brought positive contributions in revenue and profit. Coupled with continued strong growth from our flagship Caijing magazine and increase in revenue from events and conferences activities, an increase in the Group's turnover was resulted.

The Group's magazines launched in 2006 were still in the initial stage of investment in developing these titles and so the selling and distribution costs increased by 65.6%. With tight cost control administrated during the year, the administrative expenses were reduced by 16.9% to approximately HK$22.8 million.

The Company had issued a convertible bond ("CB") amounting to US$10 million (equivalent to HK$78 million) in May 2006. The Company recorded an interest expense of approximately HK$8.5 million (2006: HK$5.0 million) mainly related to the CB and loss arising on changes of fair value of the components of the CB was approximately HK$6.9 million for the year 2007 (2006: HK$4.1 million).

Despite the challenging market conditions in 2007, the Group turned around from its loss position. The profit attributable to shareholders for the year of 2007 amounted to approximately HK$6.1 million, when compared to a loss of approximately HK$29.0 million in 2006.

To preserve financial resources for future expansion and operation of the Group, the Board does not recommend the payment of a dividend for the year 2007 (2006: nil).

LIQUIDITY AND FINANCIAL RESOURCES

The Group's daily operating activities were financed by internal sources and bank borrowings. As at 31 December 2007, the Group's equity was approximately HK$319.6 million (2006: HK$242.5 million). The Group had non-current convertible bond of approximately HK$77.9 million as at 31 December 2007 (2006: HK$71.0 million). As at 31 December 2007, the Group's gearing ratio was 14.4% representing a percentage of non-current liability over total assets (2006: 18.5%).

As at 31 December 2007, the Group had bank borrowings of approximately HK$39.4 million (2006: HK$8.0 million). The increase was mainly because of the draw down of banking facilities to finance the daily operation and the payment for acquisition of office units in Beijing at the end of 2007.

As at 31 December 2007, the Group had cash and time deposits amounted to approximately HK$103.7 million (2006: HK$131.7 million).

As at 31 December 2007, the Group had available-for-sale investments of value approximately HK$0.7 million (2006: HK$13.0 million). The decrease of approximately HK$12.3million was because of the disposal of the Company's holding of equity securities listed in Singapore and the impairment loss of approximately HK$3.4 million on the Company's holding of equity securities traded on Over-The-Counter Bulletin Board in the United States during the year.

CHARGES ON ASSETS

As at 31 December 2007, the Company had fixed deposit of approximately HK$40.9 million charged to a bank for banking facilities granted to the Group's companies (2006: HK$39.0 million).

CONTINGENT LIABILITIES

The Group and the Company did not have any significant contingent liability as at 31 December 2007 (2006: Nil).

FOREIGN CURRENCIES AND TREASURY POLICY

Most of the Group's business transactions, assets and liabilities are denominated in Hong Kong Dollars, United States Dollars or Renminbi. It is the Group's treasury policy to manage its foreign currency exposure whenever its financial impact is material to the Group. During the year, apart from the convertible bond, the Group did not have any fixed interest rate borrowings and had not engaged in any financial instruments for hedging or speculative activities.

EMPLOYEES

As at 31 December 2007, the Group had 478 (2006: 262) employees in Hong Kong and the People's Republic of China. Salaries, bonuses and benefits were decided in accordance with market conditions and performance of the respective employees.

SHARE OPTION SCHEME

The Company's share option scheme was adopted on 26 August 2002. During the year, 38,200,000 share options were granted to directors and employees of the Group. As at 31 December 2007, the number of share issuable under share options granted was 65,950,000 (2006: 33,000,000).

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year.

CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions laid down in the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Listing Rules throughout the year ended 31 December 2007, except for the Code provisions (i) A.2.1 whereas there is no separation of the role of Chairman and Chief Executive Officer. Mr. Wang Boming assumes the role of both the Chairman and the Chief Executive Officer; and (ii) A.4.1 whereas all non-executive directors of the Company are not appointed for a specific term as they are subject to retirement and rotation in accordance with the Company's articles of association.

The Company has adopted the Model Code for Securities Transaction by Directors of Listed Issuers of the Listing Rules ("Model Code"). Following specific enquiry by the Company, all directors confirmed that they have complied with the required standards as set out in the Model Code throughout the year ended 31 December 2007.

AUDIT COMMITTEE

The Audit Committee reviewed with management the accounting principles and practices adopted by the Group and discussed internal control and financial report matters including the review of the audited financial statements for the year ended 31 December 2007.

PRELIMINARY ANNOUNCEMENT OF THE RESULTS AGREED BY AUDITOR

The figures in respect of the Group's consolidated balance sheet, consolidated income statement and the related notes thereto for the year ended 31 December 2007 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

PUBLICATION OF ANNUAL REPORT ON THE WEBSITE OF THE STOCK EXCHANGE

The Annual Report of the Company containing the information required by Appendix 16 to the Listing Rules will be published on the website of the Stock Exchange in due course.

By Order of the Board
Wang Boming
Chairman and Executive Director

Hong Kong, 26 March 2008

As at the date of this announcement, the Board comprises Mr. Wang Boming, Mr. Zhang Zhifang, Mr. Dai Xiaojing, Mr. Li Shijie and Mr. Lau See Him Louis, all as executive Directors; and Mr. Fu Fengxiang, Mr. Wang Xiangfei, Mr. Ding Yu Cheng and Mr. Zhang Ke, all as independent non-executive Directors.